

Research Update:

Ratings On YAGEO Corp. Affirmed At 'twA+/twA-1'; Outlook Stable

February 23, 2024

Rating Action Rationale

Taiwan Ratings Corp. today affirmed its 'twA+' long-term and 'twA-1' short-term issuer credit ratings on **YAGEO Corp.** The outlook on the long-term rating is stable. The ratings on YAGEO reflect the company's good market positions in various passive components, YAGEO's comprehensive product offering that secures stable client relationships, and the company's above-average profitability compared with its peer. In addition, the ratings reflect our view that YAGEO could keep its ratio of debt to EBITDA at about 2x over the next 12 to 24 months, despite stagnant profitability and higher debt for acquisitions over the same period. Standardized products and limited technology barriers that lead to intense competition and volatile pricing, as well as highly cyclical demand particularly from IT-related applications somewhat offset these strengths.

Related Criteria & Research

Related Criteria

- Criteria | Corporates | General: Corporate Methodology - January 07, 2024
- Criteria | Corporates | General: Methodology: Management And Governance Credit Factors For Corporate Entities - January 07, 2024
- General Criteria: National And Regional Scale Credit Ratings Methodology - June 08, 2023
- General Criteria: Environmental, Social, And Governance Principles In Credit Ratings - October 10, 2021
- General Criteria: Group Rating Methodology - July 01, 2019
- Criteria | Corporates | General: Corporate Methodology: Ratios And Adjustments - April 01, 2019
- Criteria | Corporates | General: Methodology And Assumptions: Liquidity Descriptors For Global Corporate Issuers - December 16, 2014
- General Criteria: Country Risk Assessment Methodology And Assumptions - November 19, 2013
- General Criteria: Methodology: Industry Risk - November 19, 2013
- General Criteria: Principles Of Credit Ratings - February 16, 2011

Related Research

- Taiwan Ratings' Ratings Definitions – Nov. 11, 2021

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Ratings List

Ratings Affirmed

YAGEO Corp.

Issuer Credit Rating

twA+/Stable/twA-1

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at www.taiwanratings.com for further information. Complete ratings information is available to subscribers of Rating Research Service at rrs.taiwanratings.com.tw. All ratings affected by this rating action can be found on Taiwan Ratings' public website at www.taiwanratings.com.

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